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CHRONICLE of Higher Education

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News Summary

Articles on inside pages

Historians are beginning to see the advantages of putting their scholarship on film. Story on Page 4.

The University of Tennessee at Knoxville is gearing up for the arrival of a noisy neighbor—the 1982 World's Fair. Story on Page 9.

College endowments earned an average return of 14.6 per cent last year, substantially exceeding the rate of inflation. Story on Page 2.

A second researcher at Yale University has refused to submit a controversial report, required by the government, documenting the costs of federally sponsored research. Story on Page 8.

Colleges with a poor record of collecting loans from former students would get less money next year under the government's proposed plan for allocating direct-loan funds. Story on Page 11.

A Senate committee is expected to endorse President Reagan's proposal to cut most of the National Science Foundation's funds for science education. Story on Page 11.

Congress has taken no action on an Administration request to rescind federal funds for education earmarked for spending in academic year 1982-83. Story on Page 11.

Gallaudet College Press, the publisher of widely respected children's books and curriculum material for the deaf, would like to be known as a scholarly press. Story on Page 17.

South Africa has banned two student journalists, along with the newspaper they edited, for their opposition to the government's policy of apartheid. Story on Page 15.

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WIDE WORLD

William T. Coleman, Jr.

Court to Weigh Exemptions for Colleges that Show Bias

Justices agree to rule in case involving Bob Jones U.

By CHERYL M. FIELDS

WASHINGTON

The Supreme Court has agreed to decide whether private schools and colleges with racially discriminatory policies can receive tax exemptions.

In announcing that it will hear cases filed by Bob Jones University and Goldsboro Christian Schools, the Court set no date for arguments during its current term, which ends in early July. This means arguments won't be scheduled until the Court begins a new term in October.

At the request of both civil-rights groups and the Justice Department, the Court named a special advocate to argue the federal government's original position in the case—that the Internal Revenue Service is barred by the Constitution and federal laws from granting tax exemptions to discriminatory schools and colleges.

The Court asked William T. Coleman, Jr., Secretary of Transportation in the Ford Administration and chairman of the N.A.A.C.P. Legal Defense and Educational Fund, to act as special advocate.

The Reagan Administration abandoned its original position in January, when it announced that it no longer believed the I.R.S. had adequate statutory authority to deny the tax exemptions.

The Justice Department, however, does not support the contentions of Bob Jones University and the Goldsboro schools that the government must grant the exemptions

Continued on Page 13, Column 1

Colleges Gobble Up Millions of Quarters from Pac-Man and Other Video Games

By JACK MAGARRELL

Pac-Man, a video-game character who gobbles up quarters, has been recruited by colleges and universities to help their finances in a period when every 25 cents helps.

In student unions and residence halls, students are willingly contributing millions of quarters to the college of their choice through the coin slots of Pac-Man and other video games.

"Student unions are under pressure to find new sources of revenue, and this is a very obvious way to do it," said Richard D. Blackburn, executive director of the Association of College Unions–International.

Video games have been replacing the pinball machines of an earlier student generation in recreation areas of many campuses—because they are more popular and earn more money.

The video-game fashion may not last longer than other campus fads, Mr. Blackburn said, but "right now it's very popular."

"There's every indication that it's being used more and more as a dependable source of revenue," he said.

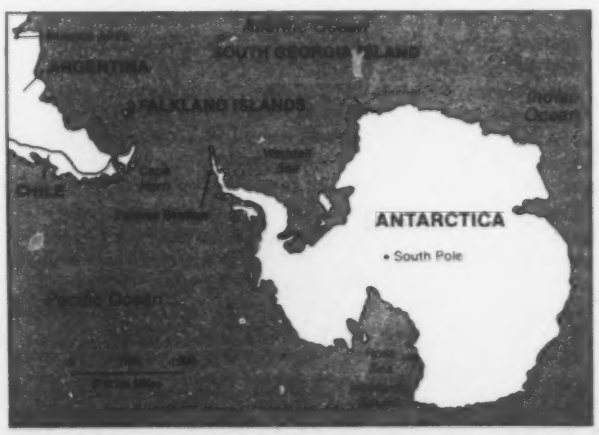
No other space in student unions generates as much revenue as

Continued on Page 6, Column 1

CHRONICLE PHOTOGRAPH BY JOHN C. PHILLIPS

Video games are replacing pinball machines on many campuses. Above, students at George Washington U.

Antarctic Studies Threatened by Falklands Conflict



By DAVID WALKER

LONDON

The conflict between Britain and Argentina over the Falkland Islands has stirred fears here that international cooperation among scientists in exploring and studying Antarctica may be threatened.

The British Antarctic Survey, based at Cambridge University, has maintained stations in Port Stanley in the Falkland Islands, and on South Georgia Island, some 800 miles to the east, as communication and supply centers for bases in Antarctica itself.

In taking over the Falklands—which they call the Malvinas—the Argentines also occupied South Georgia.

Richard Laws, director of the survey, said the 26 British scientist and technicians at the station on South Georgia probably would be evacuated. He said work at the base in Port Stanley had come to a halt.

He added that the invasion had taken place too late in the South-

Continued on Page 16, Column 3

FACT-FILE

Engineers and Scientists at Colleges

Full-time employees, January, 1976-January, 1981

	Men				Women			
	1976	1980	1981	Per cent change, 1980-81	1976	1980	1981	Per cent change, 1980-81
Engineers	**22,475**	**25,765**	**26,190**	**+ 1.6%**	**449**	**713**	**802**	**+12.5%**
Aeronautical and astronautical engineers	936	1,117	1,036	- 7.3%	30	27	22	-18.5%
Chemical engineers	1,601	1,827	1,833	+ 0.3%	37	59	68	+15.3%
Civil engineers	3,932	4,208	4,295	+ 2.1%	83	118	133	+12.7%
Electrical engineers	5,331	6,260	6,378	+ 1.9%	74	114	124	+ 8.8%
Mechanical engineers	4,301	4,728	4,820	+ 1.9%	45	92	111	+20.7%
Other	6,374	7,625	7,828	+ 2.7%	180	303	344	+13.5%
Physical scientists	**24,976**	**25,507**	**25,560**	**+ 0.2%**	**2,104**	**2,487**	**2,613**	**+ 5.1%**
Astronomers	—	748	818	+ 9.4%	—	68	79	+16.2%
Chemists	12,634	12,553	12,867	+ 2.5%	1,509	1,775	1,888	+ 6.4%
Physicists	10,428	10,834	10,524	- 2.9%	394	492	490	- 0.4%
Other	1,914	1,372	1,351	- 1.5%	201	152	156	+ 2.6%
Environmental scientists	**6,867**	**7,676**	**7,809**	**+ 1.7%**	**390**	**660**	**742**	**+12.4%**
Atmospheric scientists	568	749	713	- 4.8%	33	44	50	+13.6%
Earth scientists	5,240	5,158	5,209	+ 1.0%	287	398	423	+ 6.3%
Oceanographers	1,059	1,259	1,304	+ 3.6%	70	127	161	+26.8%
Other	—	510	583	+14.3%	—	91	108	+18.7%
Mathematical and computer scientists	**20,021**	**21,946**	**22,668**	**+ 3.3%**	**3,104**	**4,090**	**4,423**	**+ 8.1%**
Mathematicians	16,370	16,741	16,914	+ 1.0%	2,622	3,181	3,310	+ 4.1%
Computer scientists	3,651	5,205	5,754	+10.5%	482	909	1,113	+22.4%
Life scientists	**73,580**	**84,049**	**84,504**	**+ 0.5%**	**18,289**	**24,065**	**25,555**	**+ 6.2%**
Agricultural scientists	11,777	13,107	13,009	- 0.7%	1,165	1,325	1,345	+ 1.5%
Biological scientists	27,870	30,506	31,186	+ 2.2%	7,029	8,219	8,680	+ 5.6%
Medical scientists	33,933	38,599	38,308	- 0.8%	10,095	11,717	12,399	+ 5.9%
Other	—	1,837	2,001	+ 8.9%	—	2,804	3,131	+11.7%
Psychologists	**12,813**	**12,429**	**12,428**	**0.0%**	**3,989**	**4,322**	**4,392**	**+ 1.6%**
Social scientists	**33,568**	**33,325**	**33,351**	**+ 0.1%**	**7,187**	**7,827**	**7,812**	**- 0.2%**
Economists	9,436	9,990	10,075	+ 0.9%	933	1,111	1,126	+ 1.4%
Political scientists	8,036	7,653	7,825	+ 2.2%	1,029	1,115	1,167	+ 4.7%
Sociologists	8,501	7,919	7,768	- 1.9%	2,926	2,938	2,938	0.0%
Other	7,595	7,763	7,683	- 1.0%	2,299	2,663	2,581	- 3.1%
Total	**194,300**	**210,697**	**212,510**	**+ 0.9%**	**35,512**	**44,164**	**46,339**	**+ 4.9%**

— Data not available

SOURCE: NATIONAL SCIENCE FOUNDATION

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Walter Williams—Professor of Economics, George Mason University.

Jay Lovestone—former Director, Department of International Affairs, AF of L/CIO.

Edward Erickson—Professor of Economics, North Carolina State University.

Gerald P. O'Driscoll—Professor of Economics, New York University.

Scholarships are available. Session to be held on the Freedoms Foundation campus at Valley Forge, PA.

For information on admissions and scholarships write to
Programs Office
Freedoms Foundation
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or call 215/933-8825

Merger of 2 Private Universities Urged by Panel in Connecticut

BRIDGEPORT, CONN.

Two private universities—the University of Bridgeport and the University of New Haven—should be consolidated "as quickly as possible" into a new institution to serve southern Connecticut, according to a commission that has been studying a possible merger for the last six months.

The new institution, which might be called the University of Southern New England, should be "a fully integrated" university offering undergraduate and graduate "career-oriented" programs based on the liberal arts and sciences, according to the report of the 10-member commission of academic and business leaders. It should also conduct basic and applied research, the commission said.

The commission, which was headed by Louis T. Benezet, research professor of human development and educational policy at the State University of New York at Stony Brook, proposed that the two universities establish a holding company, with trustees from both institutions and the community to arrange the merger. The holding company would make decisions about the specific form of the merger and select personnel to carry it out.

The study of the feasibility of consolidating the two universities was undertaken last November at the request of their presidents, who said at the time that they thought a merger could produce a stronger institution that could offer better academic programs and services to the region. A combined institution would have about 900 faculty members and 15,000 students.

The study included interviews with administrators and faculty members on both campuses and with members of the Bridgeport and New Haven communities. It also included an assessment of the facilities on the two campuses, which are located about 20 miles apart.

The feasibility study was financed by $125,000 from the Exxon Education and Ford Foundations, which have indicated an interest in the merger as a model.

The two universities have agreed that their procedures can be made public through meetings and a merger manual.

The boards of trustees of the two universities have not indicated when they will make a decision about the merger.

—BEVERLY T. WATKINS

N.J. Approves Private-Public Merger

TRENTON, N.J.

The New Jersey Board of Higher Education has approved the merger of a private two-year liberal-arts college and a public vocational-technical school to form a new institution called Union County College.

The merger, which would consolidate Union College in Cranford and Union County Technical Institute in Scotch Plains, requires approval by the state legislature. Legislators and the governor are expected to clear enabling legislation by July 1, according to the board's academic-affairs officer. If the two campuses, which are 10 miles apart, are consolidated, the new institution would have about 6,000 full-time-equivalent students and 240 faculty members.

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Opinion

TIAA-CREF's 'Overriding Objective': Protecting Future Income Security

By William T. Slater

IN THE OPINION COLUMN of *The Chronicle*'s April 7 issue, Prof. I. H. Otto ["TIAA-CREF Investments: 'Amateurish' and 'Pitiful' "] took strong issue with both the investment strategies and 1980 investment results of Teachers Insurance and Annuity Association and College Retirement Equities Fund, as reported in the 1980 T.I.A.A.-C.R.E.F. annual report. Before responding directly to Dr. Otto's criticisms, let me first emphasize the one point on which we seem to be in complete agreement.

For most of the "hundreds of thousands of T.I.A.A.-C.R.E.F. participants," their individually owned annuity contracts are likely to be, along with Social Security, the principal source of income security in retirement for themselves and their spouses. This clearly suggests, as does Professor Otto, that participants should keep themselves as fully informed as possible, reviewing not only T.I.A.A.-C.R.E.F.'s annual reports, but also the personalized yearly Blue and Yellow Slip reports, the variety of special-subject booklets available on request, and our occasional participant newsletters.

These publications and reports include investment results, benefit illustrations, tax and regulatory information, and periodic reminders about the importance of updating beneficiary designations. They also describe choices and options available in T.I.A.A. and C.R.E.F. annuity contracts that can be useful in planning for retirement, and they promote and encourage such personal planning.

The T.I.A.A.-C.R.E.F. annual report for 1981, en route to participants at this writing, contains much of this type of information. . . .

Consideration of an organization's purpose and objectives, whether managing trusts, mutual funds, endowments, or pension funds, is essential to evaluating its investment strategies and investment returns. T.I.A.A. and C.R.E.F. manage fully vested and funded pension plans, with the overriding objective of protecting the future income security of participants in their old age. Both companies seek to earn rates of return for participants as high as possible within prudent risk parameters. And because the accumulation and payout of lifetime annuity benefits provided by these pension plans cover such long periods, both T.I.A.A. and C.R.E.F. pursue long-term investment policies and strategies.

T.I.A.A. invests the retirement funds entrusted to it primarily in commercial mortgages and direct loans to business and industry, increasingly with the inflation-adapted features described in the current annual report. Its investments are principally long term because yields on long-term-debt investments traditionally have been higher than those available on very short-term securities.

The following table shows representative average interest rates prevailing during each of the last 30 consecutive years. For the long-term rates, Baa corporate bonds provide a reasonable proxy for the risk/return levels of T.I.A.A.'s direct loans and publicly traded bonds, while three-month commercial paper is representative of investments currently available in the money market.

Year	Short-term rate †	Long-term rate ‡
1952	2.20%	3.51%
1953	2.42	3.73
1954	1.46	3.51
1955	2.04	3.53
1956	3.14	3.88
1957	3.65	4.71
1958	2.18	4.73
1959	3.88	5.05
1960	3.55	5.19
1961	2.72	5.08
1962	3.20	5.02
1963	3.52	4.86
1964	3.98	4.83
1965	4.38	4.87
1966	5.67	5.67
1967	5.25	6.23
1968	6.09	6.94
1969	8.03	7.81
1970	8.16	9.11
1971	5.26	8.56
1972	4.75	8.16
1973	8.40	8.24
1974	10.47	9.50
1975	6.61	10.61
1976	5.43	9.75
1977	5.60	8.97
1978	7.99	9.49
1979	11.17	10.69
1980	12.95	13.67
1981	15.97	16.04
1982 *	13.73	17.03

† Three-month commercial paper, 1963-1982 (data not available for prior years). Three-month finance company paper, 1952-1962. Converted to bond-equivalent basis. The source for these data is Salomon Brothers.
‡ Moody's Baa corporate bonds. The source for these data is the Federal Reserve.
* Data for the first three months.

As the table shows, average yields on short-term commercial paper have been higher than those on long-term corporate bonds in only 4 of the last 30 years. The same relationship—yields on longs higher than shorts—holds true in comparisons of long-term government bonds versus short-term Treasury bills, though yields for both types of government issue have been uniformly lower than the yields shown in the table.

Professor Otto's major criticism of T.I.A.A.'s investment program is that it does not include aggressive use of short-term securities. He suggests, we believe incorrectly, that there would be "no risk in moving into short-term investments, when short rates are higher than long rates," and then switching "from short-term to long-term investments the moment short-term rates move below long-term rates."

Actually, two risks or opportunity costs would be involved in following such a strategy. If when short-term rates fell below long-term rates the rates then obtainable on long-term investments had also fallen, the investor shifting his short-term funds to long would have lost the opportunity of locking into long-term rates at their previous, higher levels; would have made the "wrong call" referred to in our annual report. An examination of day-to-day yield spreads during the 1979-81 period of extreme short-term-rate volatility suggests the execution problems that would be involved in following such a strategy as well as the potential for either gains or losses that can occur in periods of similar volatility.

The other, more serious risk of lost opportunity involved in pursuing Professor Otto's "short to long" approach would result from having to move very large sums accumulated in short-term paper into long-term-investment markets at "the moment" of crossover in rates.

Negotiating direct loans of the size and quality sought by T.I.A.A. frequently takes several months. The result is well worth the effort for participants, however, since yields on T.I.A.A.'s directly placed loans normally exceed yields on publicly traded bonds of similar quality, and now range 150 to 350 basis points above prevailing yields on long-term government bonds.

Given the substantial size of any T.I.A.A. short-term pool that would have to be liquidated at the moment of rate crossover, T.I.A.A.'s investment staff would have little choice but to invest in long-term government securities, thereby forgoing the higher returns on direct loans.

The market for publicly traded corporate bonds would not be an alternative route for much of the shift because its trading volume is not large enough to absorb sudden inflows of hundreds of millions of dollars without seriously affecting market prices, especially since traders would be well aware, in advance, of the automatic nature of the strategy triggering such an influx. And Professor Otto's timing requirements would prevent further investment by T.I.A.A. in commercial mortgages and the inflation-adapted features they offer. Mortgages on office buildings and shopping centers typical of those in T.I.A.A.'s portfolio, as well as real-estate purchases, require even longer lead times than direct loans.

AS REPORTED at some length in the current annual report, substantial changes have been occurring in the types of loan being made by T.I.A.A. during the last few years. Rather than moving into short-term paper, T.I.A.A. has been taking a position between extremes—through loans that provide an opportunity for participants' funds to share in future earnings of corporate borrowers through contingent income features or through options permitting the future purchase by T.I.A.A. of the borrowers' common stock at a predetermined price; by making loans for shorter time periods than in the past; by including provisions to reset interest rates during the term of the loan; by purchasing real estate; and by continuing to make some longer-term fixed-rate loans in order to benefit from the real rates of return they will produce if inflation continues to decline. And, of course, T.I.A.A. will continue to keep options open for future investments and strategies that seem appropriate and prudent for these assets on which so many

Continued on Following Page

Opinion

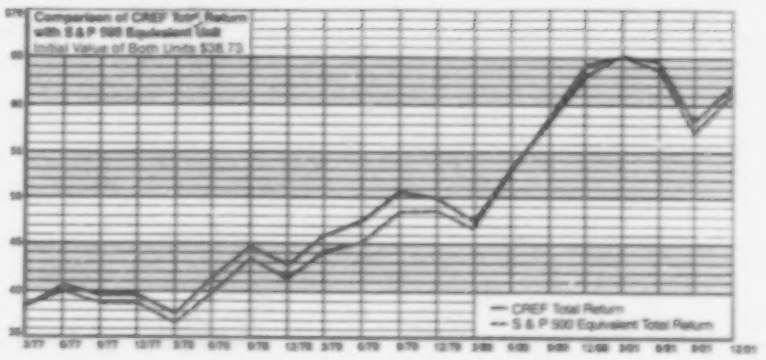
Continued from Preceding Page

people rely for their own and their families' long-range financial security.

Meanwhile, the 14-per-cent effective annual rate of interest currently credited on T.I.A.A. annuity premiums being received compares favorably with other lifetime-annuity products available today.

Turning to the common-stock component of the T.I.A.A.-C.R.E.F. retirement system, C.R.E.F. also takes a long-term approach to investing the funds that participants allocate to it. Just as T.I.A.A. doesn't bet one way or the other on the future course of interest rates, C.R.E.F. doesn't specialize in any particular segment of the market, or bet on market timing, or seek spectacular performance at the risk of heavy losses. Rather, in offering a cross-sectional share of participation in the stock market as a whole, C.R.E.F.'s funds are invested with the objective of obtaining returns that are about the same from year to year as those of the stock market in general, and somewhat better over the long term.

Continuing to refer to the 1980 annual report, Professor Otto noted that for calendar 1980 C.R.E.F.'s investment results were surpassed by the broad market indexes. As that report pointed out, however, "the investment results of C.R.E.F., like those of other widely diversified equity funds, largely reflect the returns on common stocks in general. But when measured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Initial Value of Both Units $38.73
CREF Total Return
S & P 500 Equivalent Total Return

a year at a time, C.R.E.F.'s total return will differ from the broad market averages—less in one year and more in another."

For calendar year 1981, a year of broad decline in common-stock prices, the total return for Standard & Poor's 500 once again differed from C.R.E.F.'s, this time in participants' favor: S. & P.'s total return was minus 4.91 per cent; C.R.E.F.'s total return (after expenses) was minus 1.46 per cent.

Professor Otto then observed that a graph in the 1980 report indicated that C.R.E.F.'s relative performance, as measured against the S. & P. 500, was "deteriorating." As those familiar with the end-point sensitivity of performance comparisons know, average results are heavily influenced by experience at both ends of the periods being compared. C.R.E.F. did underperform the S. & P. 500 in 1980, and the resulting graph apparently gave Professor Otto a sense of "deterioration." But updating the 1980 graph through calendar year 1981 produces the lines shown in the chart above, which appears in the current annual report. Given the new ending point, C.R.E.F.'s 10.4-per-cent compound annual average net rate of total return over five instead of four years was somewhat better than the 10.1-per-cent compound annual rate for the S. & P. 500 Equivalent (the S. & P. 500 results less the costs that would be incurred if it were an operating fund).

And, finally, Professor Otto referred to the continuing litigation involving the issue of "unisex" mortality tables. . . . The litigation primarily concerns the use of mortality tables in pension and tax-deferred-annuity plans.

Professor Otto observed that "to use a unisex annuity table without using a unisex mortality table [for life insurance] is an act of moral bankruptcy." What he had missed in both the 1979 T.I.A.A.-C.R.E.F. annual report and the March, 1980, participant newsletter was the statement that if T.I.A.A.-C.R.E.F. were required to adopt unisex mortality tables for individually owned annuity contracts, then unisex mortality tables would also be adopted for future issues of T.I.A.A. individual life-insurance policies. . . .

The trustees and management of T.I.A.A.-C.R.E.F. are well aware of the fiduciary responsibility they bear as stewards of the billions of dollars in pension funds underlying the retirement security of participants—those now retired and those who will be retiring. . . . And this awareness is nowhere more evident than in the investment strategies taken to enhance and safeguard these funds over the long time horizons inherent in fully vested, fully funded pension plans.

William T. Slater is senior vice-president of T.I.A.A.-C.R.E.F.

Letters to the Editor

'Extreme Conservatism in Investments Is Not Prudence'

To the Editor:

Professor Otto has performed a great service to T.I.A.A.-C.R.E.F.-contract holders in his essay criticizing T.I.A.A.-C.R.E.F. for its relatively poor investment performance. I hope it stimulates contract owners not only to look at what's happening to their future prospects but also to do something about it.

Fortunately there is a way to put some pressure on the T.I.A.A.-C.R.E.F. managers, albeit a cumbersome and time-consuming one. T.I.A.A.-C.R.E.F. trustees are elected by the contract holders, and those trustees have a fiduciary responsibility to those electors to see that their money is managed as a prudent person would do.

Extreme conservatism in investment management is not prudence, as Professor Otto so clearly points out. Contract holders in concert could bring great pressure on the trustees and through them might cause some changes for the better. Another fortunate circumstance is that T.I.A.A.-C.R.E.F. is in New York, and the regulatory authorities there are strict, indeed. Contract holders would probably have the assistance of the New York State Insurance Department in procedural matters and, perhaps, help on matters of substance.

Professor Otto has issued the first call for efforts to better the future of the hundreds of thousands who have put their faith and their fortune in T.I.A.A.-C.R.E.F.'s hands. Now it's up to the rest of us.

Lyle E. Cook
Executive Director
That Man May See Inc.
A Foundation for Clinical Eye Research
San Francisco

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To the Editor:

I. H. Otto's article was right on the money about T.I.A.A.-C.R.E.F.'s amateurish and pitiful performance.

What Professor Otto did not explain is that T.I.A.A.-C.R.E.F. also does not allow for transferability and accessibility of one's money. The final and cruelest blow is that T.I.A.A.-C.R.E.F.'s annuity rates are among the lowest in the nation and they are not even in the top 100 of all insurance companies.

Faculty members and administrators should heed Professor Otto's advice that they explore alternatives to T.I.A.A.-C.R.E.F. that offer superior performance, flexibility in switching investments, accessibility to funds during times of financial need, and, lastly, much higher annuity rates at retirement. . . .

James F. Costello
Vice-President
Tax-Sheltered Investments
E. F. Hutton & Company
Garden City, N.Y.

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To the Editor:

Professor I. H. Otto's article on T.I.A.A.-C.R.E.F. investments hits the nail on the head. T.I.A.A.-C.R.E.F. has performed miserably and the leaders of that organization know it. Twice in the past several months I have written to the president of T.I.A.A.-C.R.E.F. asking why C.R.E.F. doesn't create an index fund or else put its money into an existing index fund. I have yet to receive an answer. The solution: Let's nominate and elect trustees who will throw out the current incompetent staff and replace them with individuals who know something about investments.

Joel Margolis
Albany, N.Y.

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To the Editor:

T.I.A.A.-C.R.E.F. has been in the T.D.A. business a long time, and articles such as those in your April 7 issue may cause us some concern. The professor who is suing for a lump-sum payment (In Brief, April 7) apparently wants to roll over his account into an I.R.A. It is understandable why he might like to do this, because many companies permit roll-overs and there is no question these are valuable options to have in financial planning.

Whether or not you agree with Professor Otto's opinion of T.I.A.A.-C.R.E.F.'s investment performance, his analysis gives you an even stronger feeling that it's not a good thing to be "locked in," regardless of what company is holding your retirement account.

For many of us, I think it would be premature to allow these reports to shake our confidence in a company that has such a long history of serving people's investment and retirement needs. I predict it is only a matter of time before T.I.A.A.-C.R.E.F. will follow the path of their competition by providing equal or even more attractive withdrawal privileges.

Richard B. McCarty
Director of Development
and Alumni Affairs
York College of Pennsylvania
York, Pa.

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To the Editor:

It is high time T.I.A.A.-C.R.E.F. has the spotlight turned on it. Run by a docile and ineffective board of trustees. . . . a highly paid staff supported by a bloated bureaucracy, it tries to conceal its inexcusable performance.

Back in 1979 I tried to obtain the cost base and the market value of its holdings only to be told that such information would be meaningless and I could not have it. That year one of their major investments was in motor vehicles, equipment, and tires. A more stupid investment would be difficult to imagine. However, I was assured that C.R.E.F. uses academic research and advanced quantitative techniques, and that I should let their all-wise investment staff handle matters. I got no basic data that I sought.

T.I.A.A.-C.R.E.F. is secretive, paternalistic, and dismal in performance. The staff from the top down struggles to maintain their high-paid positions by revealing as little as they can get by with. With some competition we might get better results. After all, this group is playing with billions of our dollars and doing a pitiful job at it. We on the pension end lose; the staff prospers.

John M. Stalnaker
Sarasota, Fla.

No magic potion for statewide coordination

To the Editor:

The cauldron on statewide coordination continues to boil. Peggy Gordon Elliott lit the fire with a Point of View ("Are Coordinating Boards Needed Anymore?" January 13). I added a bit of spice (Letters, February 17), claiming that voluntary coordination does not work. Lewis D. Patterson, executive director of the Council for Interinstitutional Leadership, stirred up the brew by pointing (Letters, March 24) to my "unfamiliarity with the steady growth of voluntary cooperative arrangements in American higher education in the past 15 years."

Patterson's distaste for my seasoning stems from sampling the wrong concoction. Both Elliott and I were addressing voluntary cooperation as the states' mechanism for coordinating higher-education institutions. In this context, Elliott sees less need for regulatory boards while I maintain that voluntary effort is simply too weak to protect the public's interest.

Since World War II, statewide regulatory boards for either coordination or governance have been superimposed over various voluntary arrangements in state after state as the dominant mode for state control of public-supported higher education. I know of no state that has abolished its statewide coordinating mechanism in favor of voluntary cooperation, except a few such as Utah, Wisconsin, and North Carolina have consolidated institutions under a statewide governing structure while others such as Michigan and Rhode Island have gone to unified (over all levels of public education) boards.

In any event, the trend has been toward greater control over institutions with increased public accountability.

Patterson must be alluding to the growth of informal, as opposed to statutorily based, structures that result in voluntary consortia and cooperative arrangements in various localities or regions. I heartily endorse such concoctions but cannot visualize them as a magic potion to transform statewide coordination into a voluntary mode.

A. D. Browne
Professor of Higher Education
University of Arkansas
Fayetteville, Ark.

U.S. immigration laws and foreign students

To the Editor:

Marshall Winokur ("Foreign Students' Toughest Test: Getting a Visa," Point of View, March 24) argues that immigration law in this country discriminates against "thousands of capable foreign students" because it is easier for students from Western countries to obtain visas than is the case for students from developing countries.

He also argues that "talented students" should be given the chance to "earn the right to immigrate" as if obtaining an F-1 visa earned them this right.

And he claims that U.S. immigration law discriminates unfairly against this student population, while allowing "destitute Haitians and politically oppressed Cubans" to swell welfare rolls.

We have here a tremendous confusion both of fact and error and of con-